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FISCAL IMPACT STATEMENT

LS 7722

BILL NUMBER: HB 1647

NOTE PREPARED: Feb 15, 2007

BILL AMENDED: Feb 1, 2007

SUBJECT: College Head Start.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *21st Century Scholars*: This bill expands eligibility for the 21st Century Scholars program to grade 6 and grade 7 students. The bill allows a student to apply even if the student would use the scholarship for part-time study.

Advance Placement Courses: The bill adds gender and minority participation as factors to be considered in the distribution of advanced placement course funds.

Dual Credit Courses: The bill requires each high school to make available at least four dual credit courses that are recognized by state supported educational institutions. It allows students eligible for the national lunch and breakfast program to receive dual credit for more than four dual credit courses.

Graduation Calculation: The bill establishes an informational graduation rate calculation based on dividing the number of graduates by the number of students who were enrolled in grade 9.

Effective Date: July 1, 2007.

Explanation of State Expenditures:(Revised) *Twenty-First Century Scholars*: The bill changes the grade for eligibility to enter the program from Grade 8 to Grades 6 and 7. The bill should not significantly increase the long-term cost of the program, but could increase the costs in the first year of providing information and enrolling Grades 6, 7, and 8 instead of just Grade 7 and 8 and providing services to grades 6 and 7 to encourage students to go to college. The program currently does enroll 7th grade students in the program.

Allowing the grant to be used for part-time students could increase the number of students that would qualify

for awards. It is unknown the number of students that might attend part-time instead of full time. The State Student Assistance Commission does have a part-time award that is used by 5,409 students with an average award of \$1,022. The part-time awards are limited by the amount of the appropriation but the 5,409 part-time awards make up about 8% of the total awards. If the 21st Century Scholarship had a similar experience, the number of awards could increase by about 716 awards and scholarships could increase by about \$731,000.

Background: The General Fund appropriations for the 21st Century Scholars Program have been the following.

	FY 2004	FY 2005	FY2006	FY2007
Administration	\$2,586,443	\$4,086,443	\$2,000,000	\$2,000,000
Awards	\$15,996,500	\$18,402,449	\$18,402,449	\$19,171,429

Dual Credits: P.L. 185-2006 requires schools to offer at least two courses to high school students who qualify to enroll in dual credit or advancement courses. No data is currently available on the cost of two course requirement since schools and universities had just started to implement the law. The bill would increase the number to four courses. The bill would also allow students eligible for free and reduced lunch to have tuition waived for more than four dual credit courses. It is unknown how much these provisions might increase state expenditures. State colleges could also have increase costs due to providing dual credit courses to local schools. The additional costs would be covered from tuition revenue and any increase the higher education formula. Additional state expenditures would be subject to appropriation.

Background on Current Level of Advanced Placement Participation: For FY 2006 25,362 students took AP exams, representing about a 4.2% percent increase from 2005.

Graduation Calculation: The bill defines calculation of graduation rate of schools. The calculation is the number of students graduating in a year divided by the number of student enrolled in 9th grade at the period of reporting year five years before adjusted the number of students that have entered and left the graduating class. Setting the method of determining the graduation rate should have no fiscal impact on the state.

Explanation of State Revenues:

Explanation of Local Expenditures: *Dual Credits:* Requiring high schools to offer at least four dual credit and advanced placement courses each year to high school students who qualify to enroll in the courses could increase the administrative expenses of schools

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission, Department of Education.

Local Agencies Affected: Local Schools.

Information Sources:

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